

CORRESPONDENCE

WITH THE GOVERNMENT OF THE DOMINION OF CANADA ON THE SUBJECT OF THE WINDSOR AND ANNAPOLIS RAILWAY.

OTTAWA, 17th April, 1871.

THE HON. H. LANGEVIN,
Minister of Public Works, &c., &c., &c.

SIR,—

Referring to the conversation which I had with you this morning on the subject of the Windsor and Annapolis Railway, I venture, in obedience to the suggestion made by you, to submit to you in writing the main points which I then brought to your attention.

As you are aware, I occupy the position of Special Commissioner of the Windsor and Annapolis Railway Company, which Company I may add is composed of gentlemen of position, means, and character, who desire nothing but what is fair and right.

The capitalists, through the Company, embarked their capital in the construction of the Railway on the faith of the Acts of the then Local Legislature, which expressly enacted that it should be a Provincial Government Railway, (vide clause 1, Act 1864, and clause 3, Act 1865.) They reckoned, therefore, and with good reason, on the Government influence and assistance, and most certainly never contemplated that the Government were to become competitors, as the owners of rival lines of Railway.

In these reasonable anticipations the Company have been disappointed: the Government have so far declined to allow the Company to exercise the running powers, or the joint operations to Halifax, which were expressly conferred, both by the concession, and by the Local Acts: they have become the promoters and owners of a large competitive system of Railways in Canada, now to be extended to the Pacific, which must withdraw a considerable amount of traffic from off the Company's Railway: they have subsidized steamers from Halifax and Windsor to St. John: they have appointed as their acting commissioner the Managing Director of another enterprize, whose interests cannot be regarded as parallel in all respects with those of the Company; and in short the whole energies of the Government are now directed to a keen competition with, and the crushing out of the Company.

I submit, with great respect, that the Company have allowed themselves to be misled—the career they have before them, if the Government refuse them redress, is an unpleasant one—they have no alternative but to claim a free and equal use of the Government Railway into Halifax—they must put on a line of first class steamers between Annapolis and Boston—they must endeavor to

amalgamate, or to make arrangements with one or other of the great American Railways, such, for instance, as the New York Central, or the Erie, and with all this prefer a claim upon the Government for the loss which they have suffered, and must still suffer, from the opposition of the Government lines.

This, I need hardly add, is not what the Company were led to expect, or what they desire. They believe that if they have their rights they have a good property; but rather than continue in a concern which must fight for every ton of traffic, and that, too, against so powerful an adversary as the Government, they would prefer much that the Government should exercise the powers of purchase conferred upon them by clauses 7, 8, and 10 of the Local Acts of 1865; and they submit that upon every principal of equity the Government are in honor bound to do so.

Having come out from England specially to make these representations to the Government, I venture to hope that I may be permitted to supplement these remarks by a *viva voce* explanation before the Council, and that I may obtain for my request a favorable consideration.

I have the honor to be,

Sir,

Your obedient servant,

(Signed)

J. A. MANN.

DEPARTMENT OF PUBLIC WORKS,
Ottawa, April, 19, 1871.

SIR,—

I am directed by the Minister of Public Works to acknowledge the receipt of your letter of the 17th instant, on the subject of the Windsor and Annapolis Railway, and to state that it has received his best consideration.

The question of purchase cannot be taken up by a mere quorum of the Privy Council, but will be submitted to a full meeting of the Cabinet as soon as possible. Should the Council decide upon purchasing, the matter will of course have to be laid before Parliament for approval; but should it not so decide, then the question of the "running powers" referred to in your late interview with the Minister and the Members of the Sub-Committee of the Privy Council, will be submitted to the Honorable the Minister of Justice for his opinion and advice.

I am further directed to assure you that the Minister will use his best endeavors to have the matter settled with as little delay as possible.

I have the honor to be,

Sir,

Your obedient servant,

(Signed)

F. BRAUN,

Secretary.

J. A. MANN, Esq.,

Special Commissioner of the Windsor and Annapolis Railway,
Nova Scotia.

THE RUSSELL HOUSE,
Ottawa, 19th April, 1871.

SIR,—

I am in receipt of a letter from Mr. Braun of this day's date, informing me that you will submit the questions, which I had the honor to lay before you, for the consideration of the Cabinet.

As I leave to-day for New York en route for England, I venture to ask that you will be good enough to direct that the result may be communicated to me by letter, addressed to me at the office of the Windsor and Annapolis Railway Company, 6 Westminster Chambers, Victoria Street, London.

I trust the decision may be such as to render it unnecessary for me to return here; but I need not say that if necessary, I will endeavor to do so.

With great respect, I am,

Sir,

Your obedient servant,

(Signed) J. A. MANN.

THE HON. H. LANGEVIN,
Minister Public Works, Ottawa.

HALIFAX HOTEL,
Halifax, 12th July, 1871.

THE HON. C. TUPPER,
President of the Council, &c., &c., &c.

SIR,—

On the 17th of April last I had the honor of an interview with a Sub-Committee of the Council, when I laid before them the grievances of the Windsor and Annapolis Railway Company. On the following day the Minister of Public Works intimated to me by letter that the matter would be taken into consideration at the next full meeting of the Cabinet, after which their decision would be communicated to me. Since then I have not been honored with any further communication, and as the subject is one of the most vital importance to the Company, I have again returned from England specially to press it upon the attention of the Government; and hearing that the Minister of Public Works is unfortunately absent from the country, I venture to ask that the Cabinet will favor me with a further interview, that I may again state the Company's grievances, and obtain their decision. I am prepared to proceed to Ottawa at any time you may name.

I am, Sir,

Your obedient and humble servant,

(Signed) J. A. MANN.

RUSSELL HOUSE,
Ottawa, July 26, 1871.

THE HON. H. LANGEVIN,
Minister of Public Works, &c., &c., &c.

SIR,—

I regret exceedingly that it has become necessary for me to return to Ottawa to urge the claims of the Windsor and Annapolis Railway Company upon the Government.

The capitalists interested in the Railway, among whom I may mention (here follow the names of several London capitalists) have, however, well considered the matter, and have determined that they cannot offer to continue to work the line under the present unsatisfactory arrangements with the Government, and they have empowered me to communicate that decision to the Government, and to make any arrangements that may be necessary in the matter.

In the few days since my arrival in Halifax, I have occupied myself in preparing a memorial to His Excellency the Governor-General in Council, setting forth the grounds upon which the claims are based; but hearing that you are likely to be absent from Ottawa for some time, and that a Cabinet Council would meet to-day, I deemed it better to come on here with a rough print of the memorial in its incomplete and unfinished state, and of which I now beg to enclose you a copy.

I trust you will, under the circumstances, excuse my laying before you so rough a draft, from it I have no doubt you will be able to glean the main points of the case, and as the subject is a very pressing and very serious one both to my friends and to the Provinces of Nova Scotia and New Brunswick, I venture to ask that it may be brought before the Council to-day, and that I may have their decision upon it. I need hardly say that I should be glad to have the honor of an interview with the Council, to enable me to offer any explanations which they or you may require.

I have the honor to be,

Sir,

Your obedient servant,

(Signed)

J. A. MANN,
Commissioner and Attorney
Of the Windsor and Annapolis Ry. Co., Limited.

DEPARTMENT OF PUBLIC WORKS,

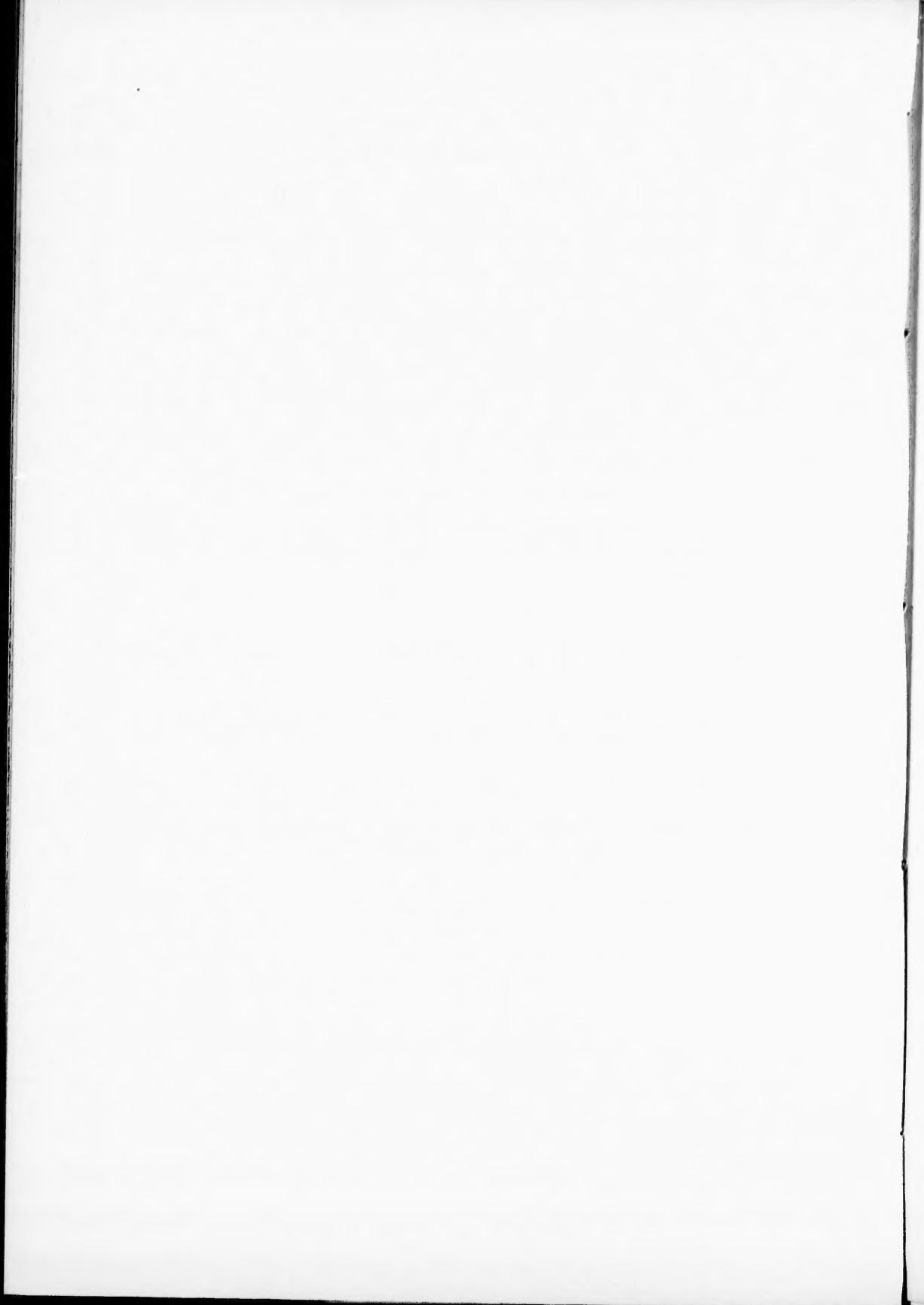
Ottawa, August 1st, 1871.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 26th July, ult., and memorial on behalf of the Windsor and Annapolis Railway Company, praying for state relief in either one of the several ways therein specified.

With respect to the first of these modes, viz.: to put in force certain powers of purchase conferred upon the Government by clauses 7, 8, and 10 of the





Statute of Nova Scotia, 28 Vic., Cap. 13 (1865,) I am to inform you that the Government of Canada do not think it expedient, under present circumstances, to purchase the Windsor and Annapolis Railway.

The second proposition, which is to convey or transfer to the memorialists that portion of the Government Railways in Nova Scotia operating between Windsor and Waverly Junction, cannot be entertained; for, besides being in contradiction with the railway policy sanctioned by Parliament, such conveyance or transfer would be impossible without special legislation.

The propositions which involve grants of public money, as compensation or otherwise, are also inadmissible; for while it does not appear that the Windsor and Annapolis Railway Company have under their charter any right to compensation, there is no fund at the disposal of the Government of Canada for affording them relief.

Having reference to the third mode of relief stated in the memorial, that "running powers" be granted over the Government line to Halifax, including the use of stations and conveniences now or hereafter to be erected in Halifax, I have the honor to inform you that His Excellency the Governor-General in Council has authorized the Minister of Public Works to make the traffic arrangements, including "running powers" mentioned in the charter of the Windsor and Annapolis Railway Company, and to appoint any officer or arbitrator for that purpose, required by the said charter, should it prove impossible to conclude the said traffic arrangements without arbitration.

I have the honor to be,

Sir,

Your obedient servant,

(Signed)

F. BRAUN,

Secretary.

J. A. MANN Esq.,

Russell House, Ottawa.

Ottawa, August 1, 1871.

F. BRAUN, Esq.,

Secretary of Department of Public Works,

Ottawa.

WINDSOR AND ANNAPOLIS RAILWAY COMPANY'S MEMORIAL.

1. I have the honor to acknowledge receipt of your letter of this day's date, from which I learn, with regret, that the Dominion Government decline to accede to the Prayer of the Windsor and Annapolis Railway Company, excepting only as to so much thereof as relates to the running powers conferred upon them under their agreement with the Government of the Province of Nova Scotia.

2. I need hardly say that the Company will be very much surprised and disappointed at the decision of the Dominion Government, and unless the Provincial Government recognize the moral and legal obligations now repudiated by the Dominion Government, I am afraid the Company will not consider themselves bound to continue to work the line. The Company are extremely anxious to avoid closing the line, causing as it would much inconvenience and

loss to the people of Nova Scotia and New Brunswick, and will, therefore, await the decision of the Provincial Government with much anxiety.

3. I observe that, so far as concerns the claims for compensation, &c., preferred by the Company, the decision of the Dominion Government is only general, and at the risk of being deemed troublesome, I venture to ask, if it is intended to repudiate the whole of the claims upon their merits. In order that I may not misunderstand the intention of the Dominion Government on this point, I recapitulate the claims put forward by the Company, which are as follows:—

1. For compensation in respect of loss and damage occasioned by the past refusal of the Dominion Government to allow the Company to exercise the rights and privileges conferred upon them under clause 11 of the Agreement, 22nd November, 1866.
2. To have refunded to them the duties (together with interest thereon) levied upon certain materials and stores imported by them for the construction and working of the Railway; and to have allowed to them, in terms of clause 9 of the said Agreement, a drawback of all duties upon all stores or materials hereafter to be imported by the Company for either of such purposes.
3. To have paid to them interest upon the principal payments made under clause 6 of the Agreement, as from the dates from which such payments would, if they had been made in Provincial Bonds in terms of such agreement, have carried interest or dividend, until the date of actual payment.
4. To have paid to them all such sums (together with interest thereon as before mentioned) as were deducted by the Government from the par value of such Provincial Bonds.
5. To have conveyed to them, free of charge, in terms of clause 7 of the Agreement, certain lands required for the railway track and stations.
6. To have conveyed to them, free of charge, also in terms of clause 7 of the said agreement, a parcel of land, at or near Windor, and now in the possession of the Dominion Government, and which it was specially agreed with, and enacted by, the Legislature of the Province of Nova Scotia, should be so conveyed to the Company.
7. To be reimbursed all loss and expenses incurred by the Company in respect of the acquisition of the lands required by the Railway, and which were, under clause 7 of the said Agreement, to be conveyed to the Company, free of charge.
8. To be reimbursed all loss, damages, and expenses incurred by the Company in consequence of the Dominion Government charging the Company a higher rate of toll on certain traffic, to wit; on cattle, horses, hay, &c., conveyed over the line between Windsor and Halifax, or some part or parts thereof, than that charged to the general public.
9. To be compensated in respect of direct and incidental damages arising out of the subsidizing of steamers by the Government in contravention of the spirit and intention of the Acts and Agreement forming the basis of the Company's proceedings.
4. As to that portion of your letter which states that the Government have no funds applicable for the purpose of affording redress or relief to the Company, I apprehend that it is not intended, that the Ministers of the Government would, for that reason, decline to acknowledge any just claim upon the State, even though it might be necessary afterwards to obtain a vote from the Legislature for the purpose of discharging it.
5. As the Company must now, of course, proceed to memorialize the Legislature of the Province of Nova Scotia, with whom the contract was originally made, it becomes important that the Company should understand clearly how

far the Dominion Government claim the rights, and acknowledge the obligations, originally conferred or imposed upon the Provincial Legislature, under the Acts and the Agreement forming the basis of the understanding with the Company. From the conversation which I had with the Hon. the Minister of Public Works, I am led to believe that the Dominion Government claim to have the right, and acknowledge the obligation, to deal only with those questions directly affecting the Customs Revenue, and the Railways taken over by them,* which would, I assume, only include the claims before referred to under the sub-heads numbered 1, 2, 6, and 8, and would leave the claims under the sub-heads numbered 3, 4, 5, 7, and 9 to be dealt with by the Provincial Government, whilst the right of purchase, under clauses 7, 8, and 10 of the Acts of the Provincial Legislature of 1865, and the power of controlling the rate of tolls to be charged by the Company to the public under clauses 3 and 8 of the Agreement of 22nd November, 1866, would, so far as they may now remain in force, also vest in the Provincial Government; and I beg to ask the decision of the Dominion Government upon these points.

6. I am prepared on behalf of the Company, and am, moreover, anxious to meet any representative whom the Government may appoint, with a view to deal with the matters under clause 11 of the said Agreement, which I would point out are not confined exclusively to a "traffic arrangement, including running powers," but also extend as an alternative to a "joint operation of the two lines." In the interim, of course, the Company continue to suffer direct loss from the delay which the Dominion Government have created, and it must, of course, be understood that the Company's claim for compensation is not to be prejudiced by any action of such representatives, unless such matter of compensation be also submitted to them for their decision.

7. I cannot conceal from myself the difficulty of the Company and the Government together, working their traffic efficiently over so long a length as 45 miles of single line, unless the Government complete their line by the erection of proper locking apparatus and signals, and the construction of the proper sidings and passing places, and appoint signalmen at the proper points; but being sincerely anxious to avoid trouble, and to make the most of the two lines, in doing which I feel that I shall serve the interests not only of the Company and the Dominion Government, but also of the people of the Province, I am prepared, as a further effort in the interests of peace, to offer, on behalf of the Company, to lease, work, and maintain the Government line and appurtenances, from the junction with the Company's line, at Windsor, to the Waverly Junction, for the period of 99 years, and to pay over to the Dominion Government, by way of rental, annually, a sum equal to ten per cent. of the gross toll earned by the Company upon the line, and for the exercise of unrestricted running powers over the remaining portion of the Government line from such Waverly Junction into Halifax, including any extensions thereof to be hereafter constructed, to pay, by way of toll, annually, a sum equal to forty per cent. of the gross toll earned annually by the Company upon the line—such payment of forty per cent. to include the use of all stations and all conveniences, and a share of the services of the Station Agents, Booking Clerks, and other servants employed by the Government at the stations, depots, and junctions. If this offer be accepted by the Government, I apprehend that I, on behalf of the Company, and a representative of the Government, with an umpire to be agreed upon between us, would, with the assistance of the Superintendent of the Government line, and of the Manager of the Company's line, have no difficulty in settling the details of the working.

* It is necessary to add that since the above letter was written, the writer has been informed by the Minister of Justice that the views of the Minister of Public Works as to the limitation of the liability of the Dominion Government must have been misinterpreted or misunderstood.

8. Assuming as I do that the above offer will be acceptable, and that the view taken by me of the responsibility of the Dominion and Provincial Governments respectively is correct, I would even venture further, and offer that the claims of the Company, before referred to, under the sub-heads numbered 1, 2, 6, and 8, shall, so far as the Dominion Parliament may still decline to admit them, also be submitted to, and be finally dealt with by such arbitrators or umpire, reserving only to the Company the right to prefer their claims under the other sub-heads numbered 3, 4, 5, 7, and 9, together with their request for general aid and assistance, against the Provincial Government.

9. In conclusion I would remark that the claims of the Company have now been before the Government at different periods throughout the past eighteen months, and as I am here at great inconvenience to myself, and expense to the Company, wholly and exclusively for the purpose of adjusting the matter with the Dominion Government, I venture to ask for a specific and early reply to the several questions submitted, and propositions made in this letter, and to state that I will remain in Ottawa until I receive such reply.

I am, Sir,
Your obedient servant,

(Signed) J. A. MANN.
Commissioner and Attorney
Of the Windsor and Annapolis Ry. Co., Limited.

DEPARTMENT OF PUBLIC WORKS,
Ottawa, 8th August, 1871.

SIR,—

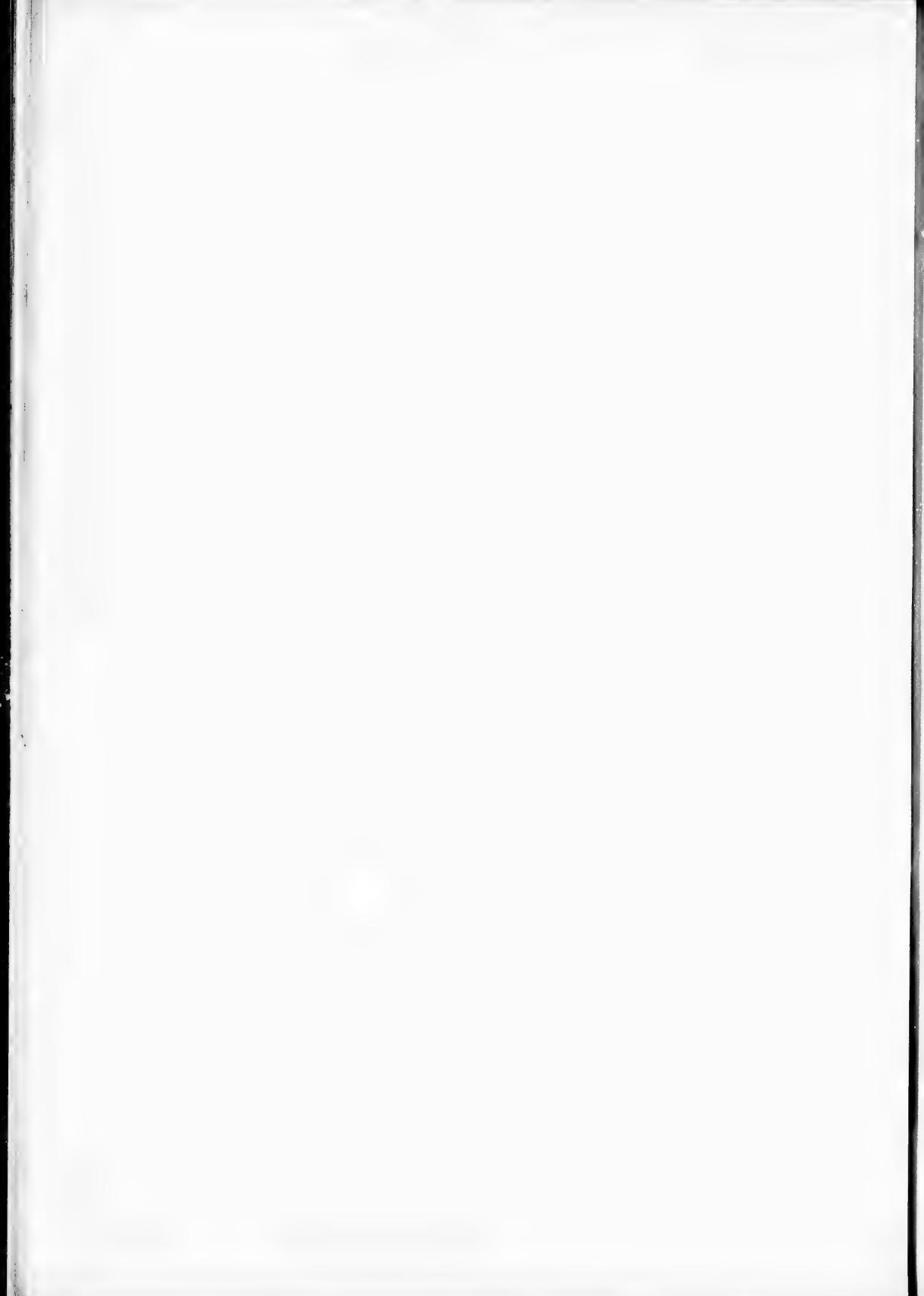
With reference to your reply, dated the 1st instant, to my letter of same date, I have the honor to state, that by the Order in Council of the 28th ultimo, the Minister of Public Works is "authorized to make with the said Company "the traffic arrangements, including running powers, mentioned in the Charter "of the said Company, and for that purpose to appoint any officer or arbitrator "required by the Charter of the Windsor and Annapolis Railway Company, "should he, and the said Company be unable to make those traffic arrangements without arbitration."

I am now to inform you that with the view of carrying out the terms and object of the Order in Council, above referred to, in a friendly practicable manner, and so as to avoid, if possible, having recourse to arbitration, the Minister of Public Works has appointed Sandford Fleming, Esquire, Chief Engineer of the Intercolonial Railway, to confer with the Company as its authorized agent, on the subjects referred to, with instruction to report to him, the Minister, in regard to the arrangements which the Company will agree to make with the Government concerning "traffic arrangements" and "running powers."

I have the honor to be,
Sir,
Your obedient servant,

(Signed) F. BRAUN,
J. A. MANN, Esq.,
Commissioner and Attorney
Windsor and Annapolis Railway,
Kentville.
Secretary.





WINDSOR AND ANNAPOLIS RAILWAY,
 Kentville, 14th August, 1871.

F. BRAUN, Esq.,
 Secy. Depart. of Public Works,
 Ottawa.

SIR,—

I have the honor to acknowledge receipt of your letter of date, 8th inst., informing me in reply to my letter of the 1st inst., that Sandford Fleming, Esq., the Chief Engineer of the Intercolonial Railway, has been appointed to confer with me with a view to reporting to the Minister in regard to the arrangements which the Company will agree to make with the Government concerning "traffic arrangements" and "running powers."

In reply I have to state that I shall have much pleasure in meeting Mr. Fleming at any time or place he may appoint.

I cannot but feel disappointed, however, to observe that your letter makes no reference to the very liberal offer which I made in the 7th paragraph of my letter of the 1st inst., viz.: to lease the line between Windsor and Waverly Junction, and to pay for running powers between the latter place and Halifax; but I trust that Mr. Fleming will have been instructed to consider and report upon that offer.

It is matter of surprise to me also that your letter further fails to reply to the other important enquiries and propositions made in my letter, especially those conveyed in paragraphs 3, 4, 5, 7, and 8, wherein I ask whether the Dominion Government repudiate the claims preferred by the Company upon their merits, and whether the Dominion Government admit their liability assuming the claims to be well founded, and wherein I offer to submit the claims to arbitration.

As I have before observed, it is a very serious hardship that the Company are unable to obtain the attention of the Government on these matters.

It would probably be more regular if I were to await a definite reply from the Government to the proposition I have already had the honor to lay before them before venturing to make any further overtures, but the pressure of circumstances is such that I am compelled to break through the ordinary rules, and I now venture to supplement the offers previously made by submitting the following propositions, with a view of settling all the difficulties between the Company and Government, viz:—

Heads of proposed arrangement between the Company and the Governments of Nova Scotia, and of New Brunswick.

1. Dominion and Nova Scotia Governments to settle between themselves the question as to which is liable in respect of the claims of the Company for compensation, &c., assuming the claims prove to be valid. The claims to be submitted to arbitration.

2. Company to have a lease of the Government line from Windsor to Waverly Junction, and running powers into Halifax, on terms of Mr. Mann's letter of 1st of August. Representatives of the Company and of the Government to settle mode of working.

3. The Company to put on a line of first class Clyde-built ocean going steamers between Annapolis and St. John, running them at least once a day each way, and to run express trains between Halifax and Annapolis, so that the entire journey from Halifax to St. John shall not occupy more than 8½ hours.

4. Governments together to grant the Company a subsidy of £12,500, Stg., per annum, say in the following proportions:

£5,000 by the Dominion Government.

£5,000 by the Nova Scotia Government.

£2,500 by the New Brunswick Government.

5. The Company to clear itself from liabilities—1, by converting its Debenture Debt into a 5 per cent. perpetual Debenture Stock—2, by paying off or converting into capital all its existing floating debts; and 3, by providing the capital for the boat service before mentioned; and further, to undertake not to incur any further capital debts.

This arrangement, I feel sure, will command itself to the attention of the Dominion Government. It will have the effect—

1st—of settling all questions between the Company and the Government amicably.

2nd—of clearing the Company of all debt and difficulties so as to preserve to the public the fullest benefits to be derived from the road, and,

3rd—of providing a swift, commodious, and reliable means of communication between St. John and Halifax.

In conclusion I have to add that I have submitted the propositions to the Governments of Nova Scotia and New Brunswick, and I beg you to submit this letter for the early consideration of the Honorable the Minister administering the Public Works Department in the absence of the Honorable the Minister of Public Works.

I have the honor to be,

Sir,

Your obedient servant,

(Signed) J. A. MANN.

Commissioner and Attorney

Of the Windsor and Annapolis Ry. Co., Limited.

DEPARTMENT OF PUBLIC WORKS,

Ottawa, September 22, 1871.

SIR,—

I have the honor to enclose herewith, for your information and guidance, copy of an Order in Council passed on the 22nd instant, approving and sanctioning certain articles of agreement thereunto annexed, between the Government of Canada and the Windsor and Annapolis Railway Company (Limited,) respecting "running powers" over the Government Railway in Nova Scotia.

I have the honor to be,

Sir,

Your obedient servant,

(Signed)

F. BRAUN,

Secretary.

J. A. MANN, Esq.,

Commissioner and Attorney

On behalf of the W. & A. R. Co.

COPY OF A REPORT OF A COMMITTEE OF THE HONORABLE THE PRIVY COUNCIL, APPROVED BY HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL, ON THE 22ND SEPTEMBER, 1871.

On a Memorandum dated 21st September, 1871, from the Honorable Sir George E. Cartier, acting in the absence of the Honorable the Minister of Public Works, reporting that on the twenty-eighth day of July last, a Minute of Council was passed authorizing the Minister of Public Works to make with the Windsor and Annapolis Railway Company (Limited) the traffic arrangements, including running powers, over the Government Railway in the Province of Nova Scotia, mentioned in the charter of the said Company, and for that purpose to appoint any officer or arbitrator required by the said charter, should the Minister of Public Works and the Company be unable to come to an agreement without arbitration.

That on the eleventh day of August, ultimo, with the view of effecting the object of the said Minute of Council, he appointed and deputed Sandford Fleming, Esq., Chief Engineer of the Intercolonial Railway, to confer with the said Windsor and Annapolis Railway Company, or with its authorized agent, and to report what understanding and agreement could be arrived at under authority of the said Minute of Council.

That Mr. Fleming has met and conferred with James Alexander Mann, Esq., Commissioner and Attorney on behalf of the said Railway Company, and with the concurrence of Lewis Carvell, Esq., Manager of the European and North American Railway, and of the said Commissioner and Attorney, now reports and approves the articles of agreement hereunto annexed, which articles of agreement, he, the acting Minister of Public Works, submits for the approval of Your Excellency.

The Committee advise that the said articles of agreement hereunto appended be approved and ratified by Your Excellency in Council, it being understood that the payment of $\frac{1}{3}$ (one-third) of the gross earnings be adhered to.

Certified.

(Signed)

WM. H. LEE,
Clerk of the Privy Council.

**AGREEMENT BETWEEN THE WINDSOR AND ANNAPOLIS RAILWAY COMPANY
(LIMITED) AND THE GOVERNMENT OF CANADA.**

1. The several expressions hereinafter referred to, shall, when used in this agreement, have the signification and meaning following.

Expression, Signification, or Meaning.

"^{The Com-}_{pany}" The Windsor and Annapolis Railway Company, Limited.

"^{The Autho-}_{rities}" The Department of the Government of Canada, which, for the time being, shall have the command or control of the Nova Scotia Railways.

"^{The Trunk}_{Line}" So much of the Nova Scotia Railway, with the branches, appurtenances, buildings, and conveniences thereto belonging or attached, as lies between the terminus at Halifax and the Windsor Junction, (both inclusive,) together with any extensions into Halifax hereafter to be made.

"^{The Windsor}_{Branch}" So much of the Nova Scotia Railway, with the branches, buildings, and appurtenances, and other conveniences thereto belonging or attached, as lies between the said Windsor Junction and the Junction of such Railway with the Windsor and Annapolis Railway at or near Windsor.

"^{The Superin-}_{tendent}" The Superintendent or other officer for the time being managing the Nova Scotia Railways.

"^{The Mana-}_{ger}" The General Manager or other officer for the time being, managing the Windsor and Annapolis Railway.

2. The Company shall, except for the purpose of the Authorities in maintaining the Railway and works, have the exclusive use of the Windsor Branch, with all station accommodation, engine sheds, and other conveniences, (but not including rolling stock and tools for repairs,) now in use thereon.
3. The Company shall also use, to the extent required for its traffic, the Trunk Line, with the station accommodation thereon, including engine shed accommodation for five engines, water supply, fuel stages, turn tables, signals, telegraphs, wharves, sidings, and other conveniences, but not including machine shops and other shops, buildings, and appliances, for repairs of rolling stock.
4. The Company shall run every day, Sundays excepted, between Halifax and Windsor, not less than two trains each way, carrying passengers, and shall adopt the same tolls as at present levied, or such other tolls as may, from time to time, be approved by the Governor in Council, and shall furnish and maintain its own rolling stock.
5. The Authorities shall maintain in workable condition the Windsor Branch and the Trunk Line, including all the station accommodation and other conveniences thereon.
6. The Company shall, on the Windsor Branch, employ their own Station Agents, Booking Clerks, Watchmen, Porters, Signalmen, Switchmen, and other servants for the management of the traffic.
7. The Authorities, shall, on the Trunk Line, employ all Station Agents, Booking Clerks, Watchmen, Signalmen, Switchmen, and other servants not provided by the Company under clause 17.

8. The Company shall not, except with the concurrence of the Authorities, carry any local traffic between stations on the Trunk Line; but if so carried, they shall charge the same tolls as may be charged by the Authorities.
9. The Company shall keep, and render to the Superintendent, an exact detail account of all traffic carried by them over the Windsor Branch and Trunk Line.
10. The Company shall pay to the Authorities monthly, one-third of the gross earnings from all traffic carried by them over the Windsor Branch and Trunk Line.
11. All accounts between the Authorities and the Company under this arrangement shall be adjusted regularly at the end of each calendar month, and the balance struck and paid over in cash, not later than twenty-one days after the end of each month.
12. The Authorities and the Company respectively, shall, at all reasonable times, have access to, and be allowed to inspect all such books, papers, and vouchers in possession of the other of them, as have reference to the accounts between them.
13. All regular trains on the Windsor Branch and Trunk Line shall be run in the usual way by time table, which time table shall, in respect to the Trunk Line, be prepared by the Superintendent on consultation with the Manager. The Superintendent shall arrange for the arrival and departure of the trains of the Company, at the times desired by the Manager, or as near thereto as practicable, and in this respect, and in every other respect, the Superintendent, the officers, and servants of the Authorities, shall conduct the business and work the traffic of the Company and of the Authorities with perfect impartiality and fairness.
14. With respect to *special and irregular trains*, in order to ensure public safety, the Company shall use the Trunk Line, in strict accordance with such Rules and Regulations as are now in use, or as may hereafter be adopted and enforced by the Superintendent. Similar Rules shall also be adopted and enforced by the Manager on the Windsor Branch, so far as necessary for the guidance of officers and men engaged in maintenance of the Railway.
15. The speed of the Company's trains on the Trunk Line and Windsor Branch shall not exceed the speed adopted by similar trains on the Government Railways in Nova Scotia.
16. The Station Agents and other servants of the Authorities at Windsor Junction shall receive, and as far as practicable carry out the instructions of the Manager in regard to the arrival and departure and working of the Company's trains, from or to the Windsor Branch, and he or they shall record in a book to be kept for that purpose, the numbers and particulars of all engines, carriages, trucks, cars, or other vehicles passing through such Junction, and shall make a return of the same daily to their respective owners.
17. The Company shall employ on the Trunk Line, their own Booking Clerks, Carting Agents, Carting Staff, or such other staff as they may deem necessary for the booking, collecting, checking, invoicing, receiving, delivering, or forwarding their own traffic; and the Authorities shall, so far as practicable, provide suitable and convenient accommodation for such servants, and for the accommodation of such business.
18. The Company, in using the Trunk Line, shall at all times observe the Regulations and Byelaws for the time being in force thereon, and the Authorities

In using the Windsor Branch, for the purpose of repairing and maintaining it, shall at all times observe the Regulations and Byelaws for the time being in force thereon.

19. In the event of the Company failing to operate the Railways between Halifax and Annapolis, then this Agreement shall terminate, and the Authorities may immediately proceed to operate the Railway between Halifax and Windsor, as they may deem proper and expedient.
20. The termination of this agreement under the preceding clause is not to prejudice any rights which the Company may now have.
21. This agreement shall take effect on the first day of January, 1872, and continue for 21 years, and be then renewed on the same conditions, or such other conditions as may be mutually agreed on.

Certified a true copy of the Articles of Agreement attached to the original Order in Council.

(Signed) W. H. LEE,
Clerk of the Privy Council.

WINDSOR AND ANNAPOLIS RAILWAY,
Kentville, N. S., 2nd October, 1871.

SIR,—

The running powers agreement has so long been the all-engrossing subject of negotiation between the Windsor and Annapolis Railway Company and the Department of Public Works, that the other claims of the Company, though of only lesser importance, have not received the attention they have deserved; now, however, that the running powers have been settled, I trust these claims will receive attention, and I beg that they may be laid before His Excellency the Governor-General in Council without further delay.

The claims preferred by the Company were enumerated in the third paragraph of my letter of 1st August last, and I am glad to be able to repeat the proposition which I made on behalf of the Company in my letter of the 14th of the same month, namely, that the whole of the claims be submitted for the decision of independent arbitrators.

As I have already informed you I am compelled to return in the next steamer to England, where I expect to be detained about three months, but assuming as I do that the Government will forthwith concur in the equitable proposition made by the Company, I will on hearing from you to that effect, arrange with the Company to appoint a representative on their behalf, so that these vexed questions may be summarily and amicably disposed of.

I have to request you will address me in London to "The care of the Windsor and Annapolis Railway Co., 24 Great Winchester Street, London," and

I have the honor to be,
Your obedient servant,

(Signed) J. A. MANN,
*Commissioner and Attorney
Of the Windsor and Annapolis Ry. Co., Limited.*

F. BRAUN, ESQ.,
Secretary Public Works Department.

WINDSOR AND ANNAPOLIS RAILWAY COMPANY,

Kentville, October 4th, 1871.

SIR,—

Under date 14th August last, I had occasion to address the Secretary of the Department of Public Works upon various matters in which the Windsor and Annapolis Railway Company were interested, and, among other things, preferred a request for a subsidy in respect of a line of steamers which the company proposed to put on between Annapolis, N. S., and St. John, N. B. The most important of the other matters in which the Public Works Department was directly concerned, namely, that of the Company's running powers over the Government Railways between Windsor and Halifax, has happily been settled, and I deem it better therefore to address you direct on the subject of the steamers, as I am informed that this particular subject comes properly under your cognizance.

The Windsor and Annapolis Railway Company are, as you are aware, entitled, now that the running powers question has been settled, to run their trains through direct from Halifax to Annapolis, on the Bay of Fundy; and you will also be aware, that by the completion of the European and North American Railway, to be opened on the 18th of the present month, St. John on the opposite shore of the Bay (60 miles distant from Annapolis) will be placed in direct communication by railway with all parts of the United States and Canada.

The railway company are naturally anxious to see a line of first class steamers running regularly between Annapolis and St. John, so as to complete the chain of communication, via their railway between Halifax and the other parts of the Dominion.

The service between Annapolis and St. John was, until recently, performed by two steamers, the *Empress* and *Emperor*, owned by a private firm, altogether independent of the Company. Now, however, the "Emperor" has been disposed of, and there remains but the "Empress," which is run when the weather permits, an average of three trips a week between the two places. This steamer is not only inadequate, but further, totally unfit and unsafe for the winter season.

The Company propose, if the Governments of Nova Scotia, of New Brunswick, and of the Dominion, will, between them grant a suitable subsidy, to put on a line of first class powerful ocean going Clyde built Steamers, and to run them at least once a day each way between St. John and Annapolis, in connection with Express Trains of the Company, and of the European and North American Railway Company, by which means an expeditious daily service will be established between Nova Scotia and the other Provinces of the Dominion.

The amount of subsidy asked of the Dominion Government is \$25,000 per annum, and seeing that the present inefficient steamers, which are run only at distant intervals, receive a considerable subsidy, the Company believe the proposition will at once receive the approval of the Dominion Government.

In connection with the same subject I am also prepared to offer to put a steamer on the Basin of Minas, to make the circuit of the Basin daily in connection with the Company's trains and the steamers before mentioned, so as to give to all the important ports on that Basin uninterrupted communication with all parts of Nova Scotia and St. John, N. B.

At the present time there is a steamer on the Basin receiving a subsidy from the Dominion Government, although the service performed by her is limited to one trip a week between Windsor, Parrsboro', and St. John.

The Company have reason to believe that the Local Government will be prepared to grant a subsidy of \$5,000 in respect of this last service, and provided a

further subsidy of the same extent be granted by the Dominion Government, the Company will be justified in putting this proposed service in operation.

As the steamers will necessarily require to be built specially for these services, which will absorb a considerable period of time, it is all important that the Company should have the views of the Government on these propositions at the earliest practicable moment.

As I return to England by the steamer of 7th inst, I will thank you to address your reply to me in London to "The care of the Windsor and Annapolis Railway Co., 24 Great Winchester Street, London."

I have the honor to be,

Sir,

Your obedient servant,

(Signed) J. A. MANN,

Commissioner and Attorney,

Of the Windsor and Annapolis Ry. Co., Limited.

THE HON. PETER MITCHELL, M. P.,

Minister of Marine, &c., &c., &c.,
Ottawa.

No. 1699. Sub. 960 & 959.

DEPARTMENT OF PUBLIC WORKS,

Ottawa, October 18th, 1871.

Ref. 3074.

Sir,—

I beg to acknowledge receipt of your letter of 2nd instant respecting certain claims of the Windsor and Annapolis Railway Company, and to say in reply that the matter will be laid before Minister without delay.

I have the honor to be,

Sir,

Your obedient servant,

(Signed)

F. BRAUN,

Secretary.

J. A. MANN, Esq.,

Care of the Windsor and Annapolis Railway Co.,
24 Great Winchester Street,
London, England.

Dominion of Canada,

Ottawa.

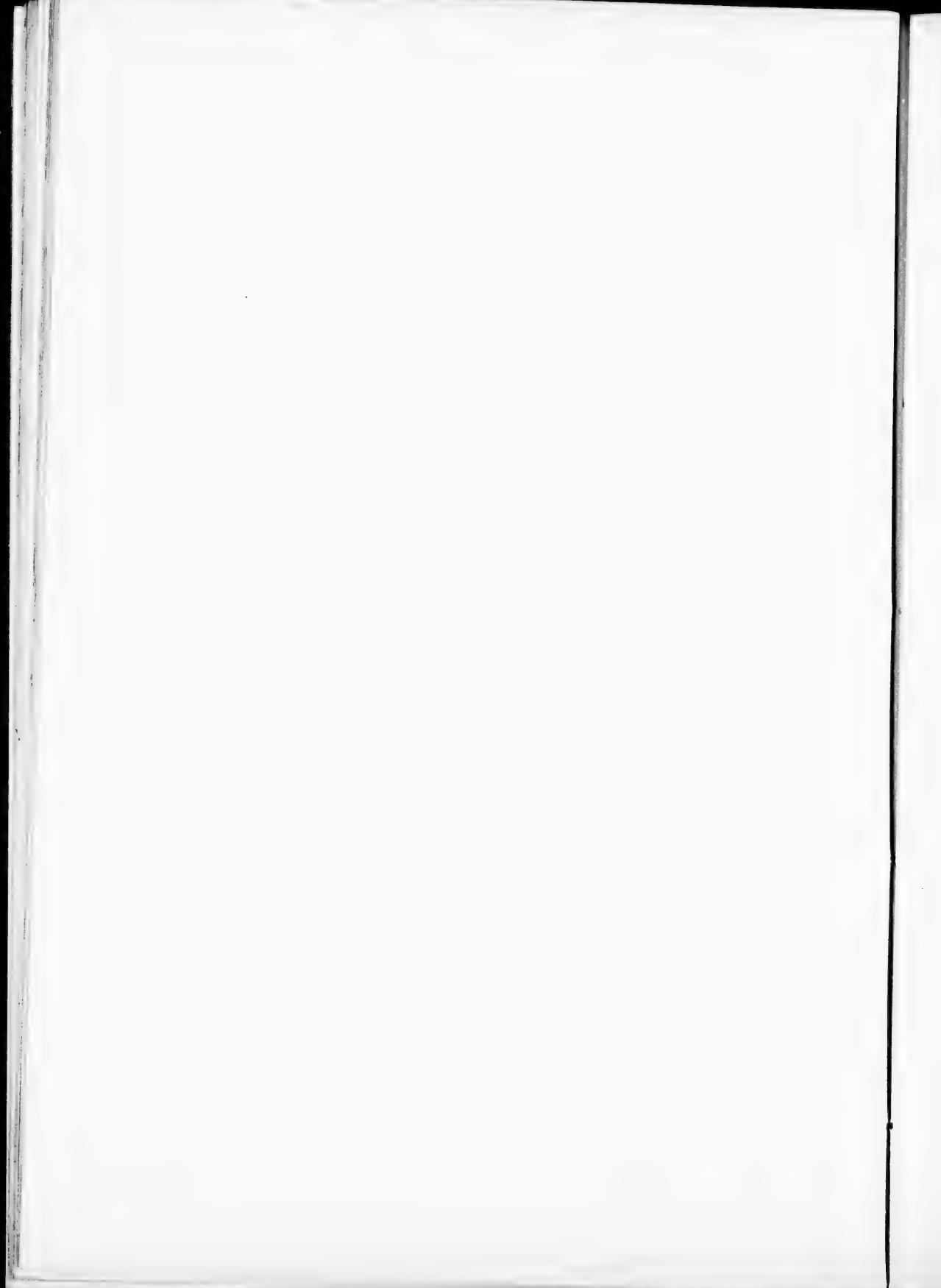
DEPARTMENT OF MARINE AND FISHERIES,

December 29th, 1871.

Sir,—

I have the honor to acknowledge receipt of your letter of the 4th October last, addressed to the Minister of Marine and Fisheries, with reference to the grant of a subsidy by the Government of the Dominion to your Company, in the event of the establishment of a line of steamers between Annapolis, N. S., and St.

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John, N. B., and I am to inform you that a copy of your letter has been forwarded to the Deputy Post Master General, as the Minister of Marine and Fisheries is of opinion that the question is one more properly pertaining to that Department.

I am, Sir,

Your obedient servant,

(Signed) WM. SMITH,

J. A. MANN, Esq., *Deputy of Minister of Marine, &c.*
Commissioner and Attorney Windsor and Annapolis Ry. Co.,
24 Great Winchester Street,
London, England.

HALIFAX, 22nd April, 1872.

THE HON. H. LANGEVIN,
Minister of Public Works, &c., &c., &c.,
Ottawa.

SIR,—

The English capitalists interested with me in the Windsor and Annapolis Railway of Nova Scotia have again deputed me to visit Canada, in order that I may personally, once more, and for the last time, address the Governments of Nova Scotia and of the Dominion on the subject of their grievances and necessities.

In the interval since my last visit an earnest appeal has been made to the Government and Legislature of Nova Scotia, the result of which is explained in letters addressed to me by the Honorable Provincial Secretary of date 1st September, 1871, and 20th April, 1872, of which I enclose copies, and to which I crave your particular attention.

Under the circumstances narrated in these letters, the Company are of course compelled to prefer their claims upon the Dominion Government exclusively.

Dealing first with the Company's claims arising out of the past non-fulfilment of contract on the part of the Dominion Government, I beg once again to call your particular attention to the third clause of my letter of date 1st August, 1871, to which I have never yet been favored with a reply, and I have pleasure in stating that I have the authority of the Company to repeat the offer already made by me, namely:—that the claims be referred to, and settled by, an independent arbitrator.

Dealing next with the Company's present position and necessities, I regret much to have to state that the financial position of the Company has become still more critical in the period since I last addressed you.

Very shortly stated, the financial position of the Company is as follows:—

The Capital and Debts are:

Share Capital £301,500

Debenture Debt, contracted in accordance with the provisions

of the Company's Act of Incorporation 200,000

Other debts of the Company, contracted for the purposes fol-

lowing, i. e.:—

1st—To provide for the payment of the Interest on the Debenture Debt.

2nd—To provide further Rolling Stock, and further Sid- ings, and other accommodation.

3rd—To repair the damages caused by storms and floods. 50,000

Making the total Capital and Debts of the Company £551,000

The Interest payable annually upon the before mentioned Debenture and other Debts of the Company now amounts to £15,000, towards which the railroad does not at present earn a single cent.

The working of the Railroad. The receipts upon the railroad are still insufficient to cover the working expenses. In the two years, 1870 and 1871, the deficiency was £2,500; while in the three months of January, February, and March of the present year, during which period the Company worked the Windsor Branch of the Government Line, the deficiency was £3,000. Exceptionally bad weather has prevailed in the present year—snow storms and floods have done great damage, increasing the expenses, and at the same time reducing the receipts—but beyond this the destruction of the Company's rolling stock arising out of the defective and unsafe condition of the Government Line between Windsor and Waverly Junction, has entailed considerable extra expense upon the Company. The chief cause, however, of the working being unremunerative is the smallness of the traffic, and the *low and unremunerative rates to which the Company are at present confined by the Government.*

The General Financial Position. Hitherto, the capitalists interested in the Company living in hopes of assistance from the Government, have advanced money with which to provide for the Company's requirements, but this they cannot offer to do to any greater extent unless assistance is at once extended to the Company by the Government.

The capitalists maintain that they are entitled to relief in one of the ways set forth in the Company's Memorial of 26th July, 1871; but they are willing if the income of the Company is supplemented by a Loan from the Government to the extent necessary to provide the interest upon the Company's Debts, to arrange to provide the further capital necessary to develope the resources of the railroad, and further to capitalize the whole of the Company's Debts, and thereby relieve the railroad from encumbrance, and secure its benefits to the people of the Province.

Such a Loan would not in any way interfere with the right of the Government to purchase the railroad at any time under the powers conferred upon them by clauses 7, 8, and 10 of the Act of the Legislature of Nova Scotia, 28 Vic, Cap. 13.

If this assistance be refused, the Company will be powerless to prevent the immediate destruction of the railroad by the creditors—and in that case the lands and money grants provided by the Province towards the construction of this great public work, will be lost; and for the first time in the history of a British Colony a section of the Government Railroads will be destroyed by creditors who are really creditors of the State, while both legally and morally the Government of the Dominion will be bound to refund to the English capitalists the amount of capital embarked by them in the railroad.

As the subject is one of the most urgent importance, I beg that this application may be laid before His Excellency the Governor-General in Council without delay.

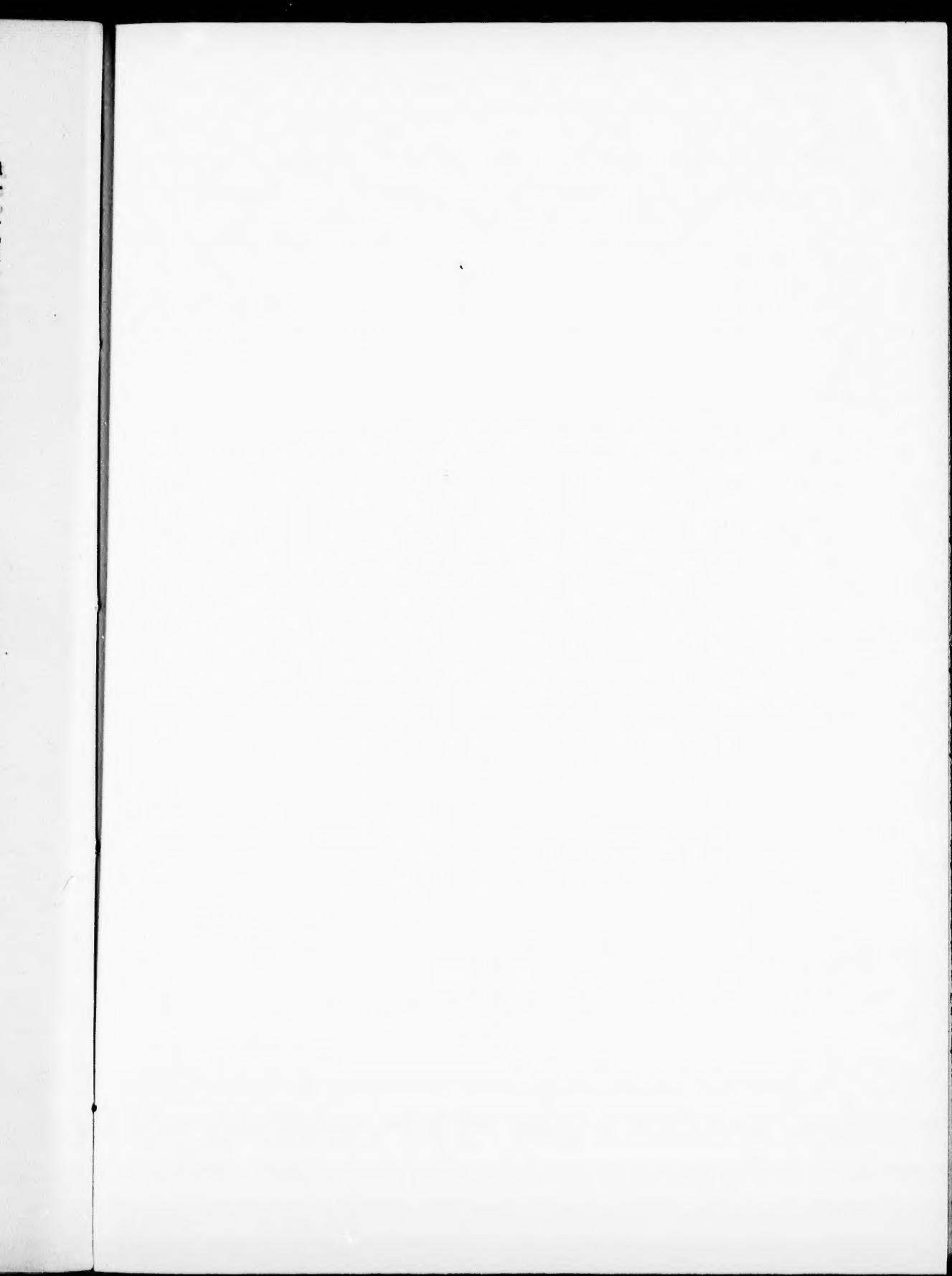
I have the honor to be,

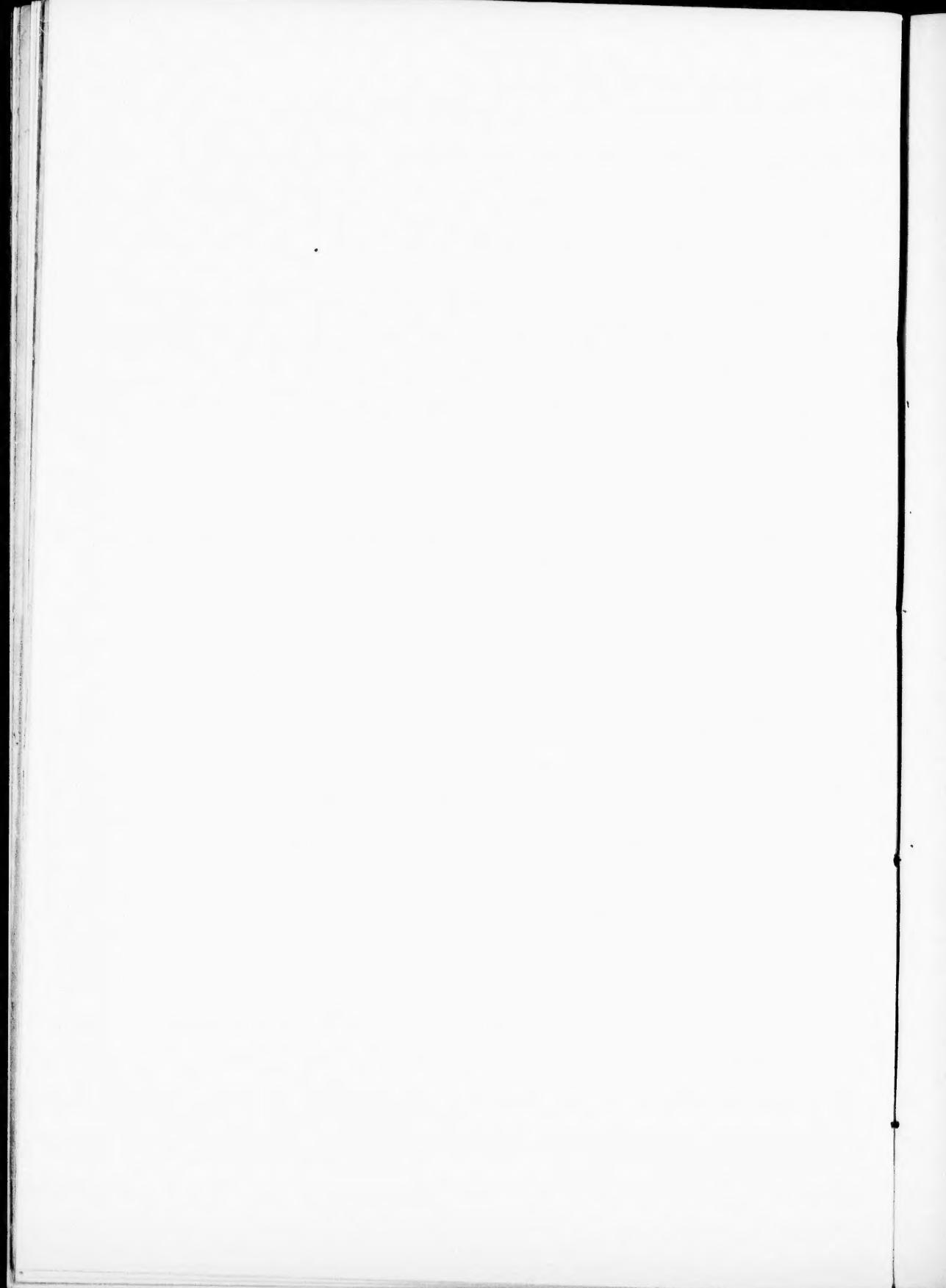
Sir,

Your obedient servant,

(Signed) J. A. MANN,

*Commissioner and Attorney
Of the Windsor and Annapolis Ry. Co., Limited.*





[*Enclosure No. 1.*]

PROVINCIAL SECRETARY'S OFFICE,

Halifax, N. S., 1st September, 1871.

SIR,—

I have it in command to acknowledge the receipt of your communication of the 14th ultimo, and to acquaint you that the Government have taken the subject matter of said communication into consideration, and I am instructed to forward you the enclosed copy of a Minute of Council in reference thereto.

I am, Sir,

Your obedient servant,

(Signed)

J. A. MANN, Esq.

H. CROSSKILL,

Deputy Secretary.

COPY OF A MINUTE OF COUNCIL PASSED ON THE 31ST DAY OF AUGUST, 1871.

"That while the Government fully appreciate the great importance of the Line of Railroad known as the Windsor and Annapolis Railway, with its improved steamboat communication, and feel that to close this important public work would be a serious injury not only to the counties through which it passes, but to the Province generally, tending, as such would necessarily do, to retard railway extension westwardly; they cannot recognize that any legal obligation rests upon them to compensate the Company for any loss or damage they may have sustained by the Acts of the Dominion Government.

"That by the operation of the British North American Act they have been both relieved of the duty, and deprived of the power of redressing the grievances of which Mr. Mann complains, inasmuch as the railway property and railway obligations of the Government of Nova Scotia have been exclusively transferred to the Dominion Government, in whom the Act of Confederation also vested the powers of taxation, by means of which this Province formerly developed its railway policy.

"In reference to the proposition to subsidize the Company in conjunction with the Dominion and New Brunswick Governments, the Executive feel that any action they may be called upon to take must entirely depend, even under the most favorable circumstances, upon the steps that may be entertained by the Legislature of Nova Scotia."

Certified.

(Signed)

W. B. VAIL,

Clerk of Council.

[*Enclosure No. 2.*]

PROVINCIAL SECRETARY'S OFFICE,

Halifax, N. S., 20th April, 1872.

SIR—

I have it in command to reply to your communication of the 11th inst., covering the memorial on behalf of the Windsor and Annapolis Railway Company, which, together with all correspondence and papers connected therewith, was, in

accordance with your request, submitted to the Legislature, and was by that body referred to a special committee, who immediately took the matter into consideration.

The enclosed document is a copy of their report, by which you will see that the committee could not, owing to the limited means at the disposal of the Legislature, recommend a further subsidy to the company from the revenues of the Province.

The Government are fully alive to the importance of keeping the road open, and to the inconvenience and injury that would result from the closing thereof, and as the committee, in their report, request the Government of the Province to urge on the Dominion Government the necessity of rendering assistance to the Windsor and Annapolis Railway Company, a copy of the said report will be forwarded to the Honorable the Secretary of State for the Provinces, together with an urgent request that the matter will receive the earnest consideration of the Dominion Government.

I am, Sir,

Your obedient servant,

J. A. MANN, Esq.,
Halifax.

(Signed)

W. B. VAIL.

The Committee to whom was referred the Memorial of the Windsor and Annapolis Railway Company praying for state relief beg leave to report as follows:—

Your Committee learn with regret from the Solicitor of the Company that its financial affairs are so embarrassed as to threaten the closing of the road to the public at no distant day, and your committee would recommend the Government to adopt every means within its power to avert this event.

Your Committee taking into consideration the large subsidy already contributed by the Province towards the building of this Railway, the claims of several sections of the Province for the extension of railways through them, the recent legislation for this object, and the limited means at the disposal of the Legislature, cannot recommend the payment of a further subsidy from the local revenue to the Company.

Your Committee sympathize with the Company, and regret exceedingly that the Provincial Legislature has not the means of assisting them in their difficulties with a money grant, and your Committee would respectfully request the Government of this Province to urge on the Dominion Government the propriety and necessity of rendering such assistance to the Company as will prevent this useful and important railroad being closed, and in the meantime to endeavor to make such arrangements as will secure to the travelling public the use of the road.

(Signed)

D. MACDONALD,
SAMUEL RETTIE,
WM. HENRY ALLISON,
JOHN FLINN,
JAMES EISENHAUER.

Committee Room,

17th April, 1872.

A true copy.

(Signed) L. G. POWER,

Clark Assistant, House of Assembly.

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